



SECTION 9

Performance Measures

9.1 Activity performance measure estimates



Performance measures are now oriented to agency activities



BDS now supports performance measure and activity information

Submit performance information for each activity



Required totals for each performance measure

In the past, OFM asked agencies to link performance measures to agency goals. As part of the new strategic framework, OFM wants to better understand the expected outcomes and contribution of each agency activity to statewide results. Therefore, agencies will link performance measures to activities rather than to agency goals.

OFM has built a new activity inventory component of the Budget Development System (BDS). This component will eventually replace PMTES for the purpose of reporting budget-related performance measure targets and actuals. Agencies will use this new component, rather than PMTES, to report performance measure information required as part of the agency budget submittal.

Agencies must submit information about the expected results of each activity in its activity inventory. OFM prefers that each activity have at least one outcome measure. Output measures, particularly key budget drivers, and efficiency measures are also acceptable. Please refer to the Appendices in the Part 1 Operating Budget Instructions for more guidance on performance measure development at <http://www.ofm.wa.gov/budget/instructions/05-07budinstpart1.pdf>. In particular, agencies may find the value chain examples in Appendix A-2 helpful in illustrating the levels of outcomes that might be associated with a particular activity, and the linkage between activities, outputs, outcomes and statewide results.

For each performance measure linked to an activity in BDS, please indicate:

- The actual performance levels attained for Fiscal Years 2002 through 2004 and the estimate for Fiscal Year 2005.
- The total estimated performance levels for Fiscal Years 2006 and 2007 for performance level, assuming all agency proposed decision packages are enacted.

Each activity must have at least one performance measure or statement of expected result

If it is not possible to identify an appropriate quantitative performance measure for an activity at this time, the agency must at least provide a narrative description of the intended outcome for the activity in the “expected results” text box provided in the system. **The agency will not be able to submit its budget to OFM unless each activity is linked to at least one performance measure or has an expected results statement.** The performance measure and expected results information will be printed on the Activity Inventory report that the agency must include in its budget submittal.

Frequently asked questions about the new activity-oriented approach to performance measures

Q. Some of the measures my agency currently tracks are related to activity outcomes; others are not. What is your guidance as to which existing measures should be retained?

- Retain existing measures that describe the expected outcomes, key budget-driver outputs, or key efficiency measures of an agency activity.
- Do not retain measures that are not relevant in describing the outcomes or workload drivers of activities.
- Look carefully at measures that OFM has tracked for some time. Trend information can be very important and we should retain these measures if relevant in the activity context. However, a measure does not have to be retained simply because OFM has tracked it for several years.
- Discuss measures you propose no longer retaining with your agency’s OFM analyst and legislative staff.

Q. Is each activity required to have a unique measure?

No. An agency may have several activities that are all targeted towards achieving the same outcome. The system will allow you to link one measure to multiple activities.

Q. Is it acceptable for an activity to have both performance measures and an expected result statement?

Yes. In many cases the combination of outcome description and quantitative measures may most clearly express the contribution the activity makes in achieving agency goals and statewide results.

If you need assistance, please don’t hesitate to contact your OFM budget analyst or Mary Campbell, the Governor’s Special Assistant on Quality and Performance, at Mary.Campbell@gov.wa.gov.

9.2 Performance Measure Incremental Estimates Report

Indicate the effect of decision packages on activity performance

As discussed in Section 4.2, a decision package should describe the change in performance that can be expected from the investment. If this change in performance is a change in one of the activity performance measures reported in the system, agencies should indicate the incremental change in that performance measure related to that decision package. Any activity performance measure descriptions established in BDS will be available on the selection list in the decision package screen.

Please do not create a performance measure for the sole purpose of describing the effect of a decision package. This information should be described in the decision package narrative.

These incremental changes recorded in the BDS decision package console will be listed in the Performance Measure Incremental Estimates report that is required as part of the budget submittal. This report replaces the B11 report submitted in previous years.

9.3 How to avoid common performance measure errors

Reminders

- Don't use measures that are hard to understand, and avoid the use of jargon and acronyms in performance measure descriptions.
- Don't word performance measures as objectives. For example, if the activity is "Provide training in resume-writing to job seekers" some performance measures might be: # of job-seekers trained, % of job-seekers trained, # of classes staged. An objective statement would be: "Increase resume skills of job seekers."
- On the Performance Measure Incremental Estimates report, show the incremental change in performance for each decision package.
- Enter the final cumulative Fiscal Year 2006 and Fiscal Year 2007 performance measure estimates in the BDS activity component after all decision packages are finalized and incremental changes have been analyzed.
- Use the format pull down list to indicate whether performance measure numbers indicate percentages, dollars, etc., as needed.